FEDERAL GOVERNMENT PROFESSIONAL SERVICES OPPORTUNITIES

John E. Frank
Vice President
INPUT

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FEDERAL GOVERNMENT MARKET FACTORS

- Reduced Inflation Rate
- Deficit Control Measures
  - Gramm-Rudman Act
  - Tax Reform
- Moderate GNP Rate
- Acquisition Reforms

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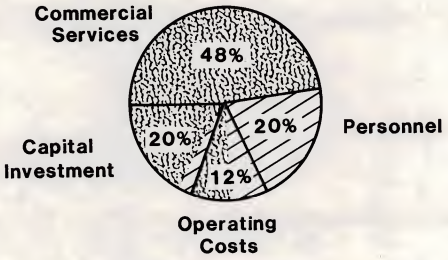
INFORMATION TECHNOLOGY BUDGET FY87



Obligations - $17.1 Billion
Contracts - $12.5 Billion (73%)

External Contracts **In-House**

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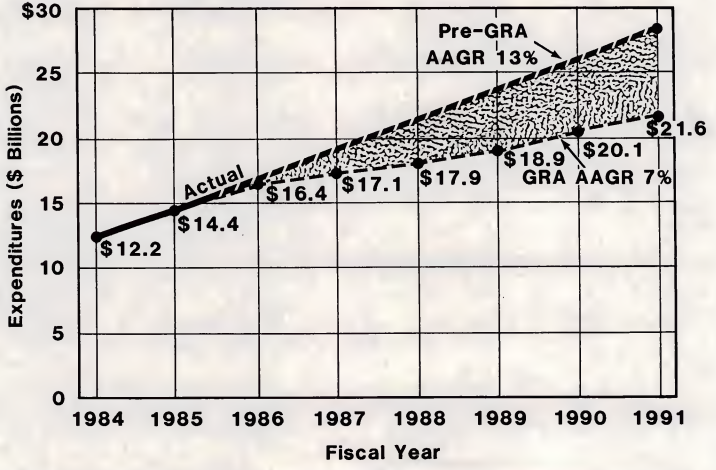
GRAMM-RUDMAN IMPACT ON FORECAST



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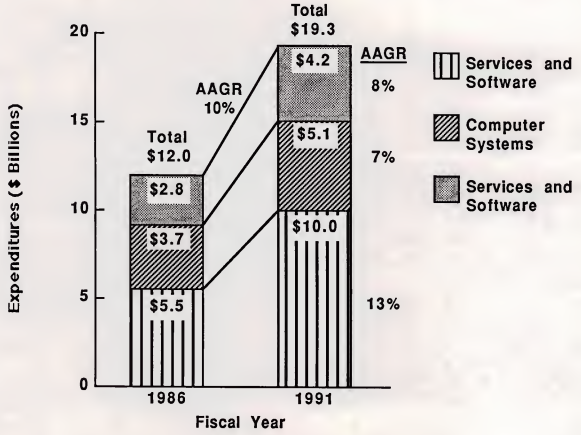
INFORMATION TECHNOLOGY MARKET



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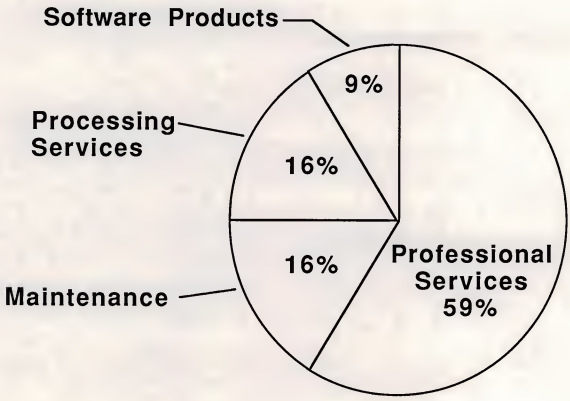
SERVICES AND SOFTWARE MARKET



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PROFESSIONAL SERVICES

- Growth Supports ADP Rebuilding
- Gramm-Rudman Impacts Growth
  - Technical Support
  - Training and Education
- Maintains Existing Software Base
- New Technical Solutions

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FEDERAL PROFESSIONAL SERVICES SERVICE SEGMENTS

- Systems Integration
- Software Development
- Facilities Management
- Design and Consulting
- Education and Training

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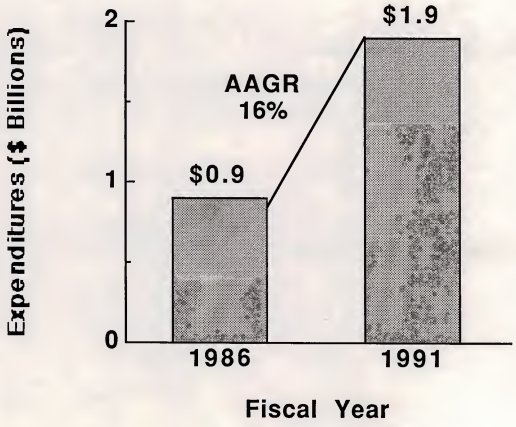
FEDERAL SYSTEMS INTEGRATION



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SYSTEMS INTEGRATION

- Custom Hardware/Software Projects
  - Telecommunications
  - End-User Involvement
  - Post-Implementation Support
  - Risk Reduction Contracts

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SYSTEMS INTEGRATION PROJECTS

• FAA-Advanced Automation System	$12B
• IRS - Tax System Redesign	$0.3-0.9B
• PTO - Automation Program	$380M
• NASA - Technical MIS	$66M
• DOD/WHS - International Treaties Data System	$1.4M

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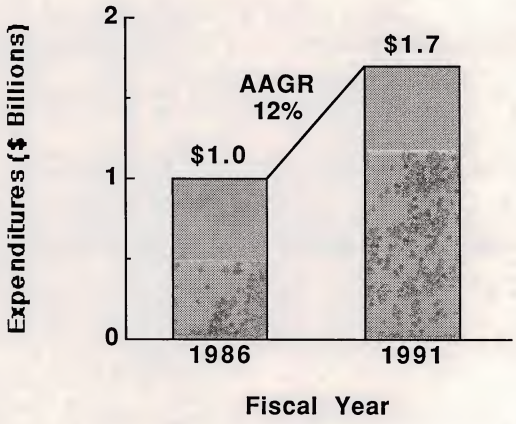
FEDERAL SOFTWARE DEVELOPMENT



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SOFTWARE DEVELOPMENT

- Custom Software
- Software Maintenance
- Independent Validation and Verification
- Software Conversion
- Software Package Modification

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SOFTWARE DEVELOPMENT PROJECTS

• Air Force-Command Budget System	$6.3M
• USDA-Software Maintenance and New Development	$9.0M
• IRS-Information Return Process MIS	$10.6M
• Army-Engineering and Science Applications	$9.4M
• Navy-Stock Point Application Programs Maintenance	$21.3M

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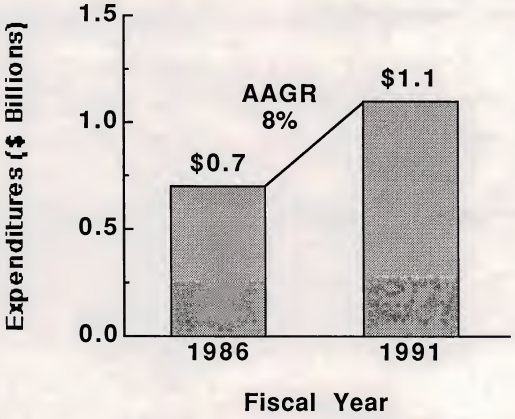
FACILITIES MANAGEMENT/OPERATION AND MAINTENANCE - GOCO



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FACILITIES MANAGEMENT/OPERATION AND MAINTENANCE (GOCO) SERVICES

- Government-owned, Contractor-operated ADP Facilities Contracts
- Three to Five Year Contracts (Options)
- Shift from Labor-hour to Mission Support
- Low Overhead, Price Sensitive
- Recompetitions versus New Starts

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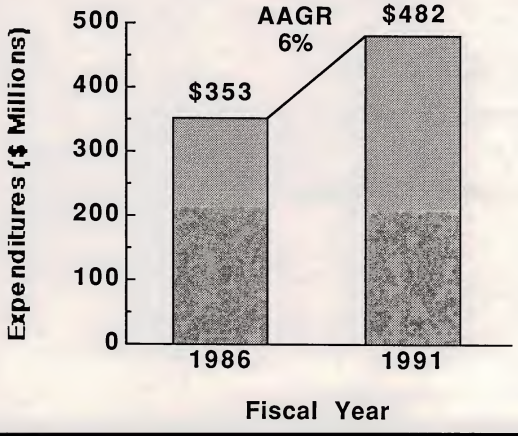
FEDERAL DESIGN AND CONSULTING SERVICES



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DESIGN AND CONSULTING SERVICES

- Design Shift to System Integrators
- Role of Not-for-profit Entities
- Borderline between Personal and Non-personal Contracts
- Conflict-of-interest Restrictions
- Contract Range: $50K to $5M

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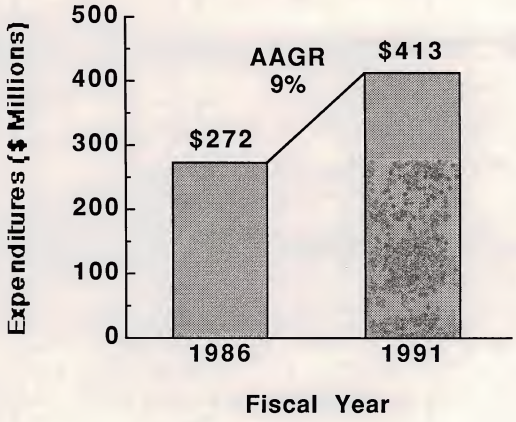
FEDERAL EDUCATION AND TRAINING



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ADP EDUCATION AND TRAINING

- Impact of Gramm-Rudman
- Includes CAI, CBE Systems
- Excludes Trainers and Simulators
- Increase Expected 1988 and Later
- New Systems Include Training

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RELATIVE IMPORTANCE OF PROFESSIONAL SERVICES VENDOR CHARACTERISTICS

Comparative Rankings		
Civil Agencies	**DOD Agencies**	**Vendors**
Staff Experience	**Price**	**Applications Experience**

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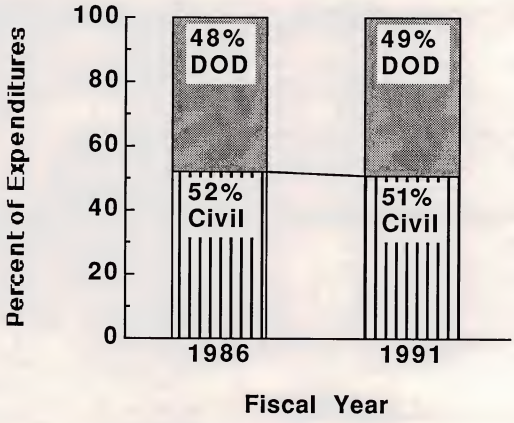
PROFESSIONAL SERVICES MARKET SPLIT BETWEEN DOD AND CIVIL AGENCIES



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COMPETITIVE FORCES

- New Competitors
  - Small Businesses
  - Minority-Owned Firms
  - Aerospace Companies
- Price Sensitivity
- Presolicitation Intelligence

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FEDERAL MARKET ISSUES

- FIRMR Amendments
- Defense Acquisition Reforms
- OMB Circulars A76 and A130
- Competition in Contracting Act
- Congressional Micro-Management

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